

particular vendor. The customer-carried portable device 74 is readily mated with a base device 72 and a vendor's or provider's device 76. A transaction amount is derived from a transaction effected by the portable device 74, i.e., a purchase of a particular product and/or service, and, based upon this amount, an incentive credit amount is computed. The base device 72 performs this computation to derive an incentive rate. This incentive rate is applied to the transaction amount to derive the incentive amount, which is stored in the customer-carried device 74. To redeem the incentive credits stored in the customer-carried device 74, the customer or user enters into a second transaction with the same provider or another participating provider. The customer may choose to redeem some or all of the incentive credits stored on the customer-carried device 74 to lower the exchange amount, i.e., the cost of the selected product and/or service. When the incentive credits are redeemed, they are subtracted from the exchange amount maintained on the customer-carried device 74.

By contrast to Applicants' system, the Biorge et al. system is implemented by a single loyalty program, where the issued points or currency are of a common value. It is appreciated that the Biorge et al. system accumulates incentive credits from a plurality of product and/or service providers. However, it is apparent from the description of the operation of Biorge's system, that his system only involves the use of incentive credits of a single value and is not concerned with the type of system, wherein there are a plurality of loyalty programs or award point issuers that each issues currency or points of different values. In particular, Applicants are concerned with the storage of the different points, as well as converting them into an universal currency, i.e., the system-wide credits, whereby the

user may select system-wide credits from different loyalty programs and accumulate them to purchase those products and/or services as selected by the user.

In particular, independent claim 1 clearly recites a method for tracking and converting award points which are of different values and are used by a corresponding one of a plurality of loyalty programs to permit the user to accumulate and use points issued by different loyalty programs. In turn, these points are converted into system-wide credits, which are of a common value. These credits may be thought of in terms of being a universal currency, which the user may readily use to obtain products and/or services that he or she has selected.

In independent claim 23, Applicants recite a system involving a plurality of loyalty programs, which issue award points of differing values. A database is provided for each loyalty program to store respectively the award point balances of the users associated with that loyalty program. Applicants' system further includes for each loyalty program a server, which is programmed to enable a user to select from which of the loyalty programs the system-wide credits will be selected, as well as the amount of the system-wide credits that are drawn from each of the loyalty systems.

Further, Applicants respectfully traverse and request reconsideration of the rejection of claims 4, 5, 20 and 21 as being unpatentable over 35 U.S.C. 103(a) in view of U.S. Patent Number 6,061,660 of Eggleston et al., and claim 18 in view of the combination of the Biorge et al. Patent and U.S. Patent 5,774,870 of Storey. In particular, Applicants have further reviewed the Storey and Eggleston patents and respectfully assert that they do not relate to the management of a plurality loyalty programs or award point issuers, as implemented by a

database and a server for each of the plurality of loyalty programs, wherein each server is programmed to select from which the loyalty programs a sufficient number of the system-wide credits for a particular transaction and from which loyalty programs the system-wide credits should be taken.

In view of the above discussion, Applicants respectfully assert that all of the independent claims as discussed above are clearly and patentably distinct from the Biorge et al. patent. Applicants further assert that the claims dependent from claims 1 and 23 are likewise patentably distinct and in condition for allowance. If the Examiner is unable to allow this application, he is respectfully requested to place a call to the undersigned to suggest those amendments whereby this application will be speedily prosecuted to issuance. Further, the undersigned is now preparing an Information Disclosure Statement (IDS). If that Statement has not been put into the file when the Examiner picks this application for further examination, he is requested to call to the undersigned so that he can place a duplicate copy of the IDS immediately in the hands of the Examiner.

Respectfully submitted,

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